

Chief of Naval Operations
Adm. Jonathan Greenert

Navy's FY '14 Budget and Posture Statement

16 April 2013

Admiral Greenert: Thank you, Mr. Chairman, distinguished members of the committee. It's my pleasure to appear before you today to testify on the Navy's fiscal year 2014 budget and posture.

I'm honored to represent 613,000 Active and Reserve Sailors, Navy civilians and their families who are serving today.

This morning, I want to address three points; our enduring tenants for decision-making, our budget strategy for 2013 and the subsequent carryover into 2014 and the course that we are on for 2014.

Two important characteristics of our naval forces describe our mandate that we will operate forward where it matters and that we will be ready when it matters.

Your Navy and Marine Corps are uniquely qualified to immediately respond to crises to assure allies and partners, deter aggression and to contain conflict.

Our fundamental approach to meeting this responsibility remains unchanged. We organize, man, train and equip the Navy by viewing our decisions through three lenses or you can call them tenants and they are Warfighting First, Operate Forward and Be Ready.

Regardless of the size of our budget or our fleet, these three tenets -- these are the lenses through which we evaluate and we conduct each decision.

Now, if you refer to the chart that I've provided in front of you, for each of you, you'll see that on any given day we have about 50,000 Sailors and about 100 ships deployed overseas-- providing forward presence.

There's orange bowties on the chart and they represent the Maritime Crossroads. Those are the key straits, the key "choke points" some call them, where shipping lanes and our security concerns intersect.

A unique strength of your fleet is that it operates forward from U.S. bases and they're represented on this chart by circles. You'll recognize those.

But there are places, and these are providing by partner nations, and they're represented by squares around the world.

These places are critical to your Navy being where it matters because they enable us to respond rapidly to crises and they enable us to sustain forward presence with fewer ships by reducing the number of ships on rotational deployments. These places are important.

Now, when I last testified to this committee in February, we faced, in the Navy, a shortfall of about \$8.6 billion in our fiscal 2013 Operations and Maintenance Account.

Now, since then, thanks to the Congress' efforts, we received a 2013 appropriation in March. And, in accordance with our priorities and tenets, we plan to invest our remaining 2013 Operation and Maintenance Funds to take care of our "must-pay" items, such as payroll, leases, and utilities.

We'll reconcile our 2013 presence with our combatant commanders. We'll conduct training and maintenance for forces next to deploy and prepare to meet our 2014 Global Force Management Allocation Plan (GFMAP). That's our demand signal, that's our covenant with the combatant commanders. And we'll restore critical base operations and renovation projects.

Now, though we intend to meet our most critical operational commitments to the combatant commanders, sequestration leaves us with a \$4 billion operations and maintenance shortfall and a \$6 billion investment shortfall in 2013.

And this is going to result in our surge capacity -- the surge capacity of fully mission-capable carrier strike groups and amphibious ready groups, just to list the big ones, being reduced through 2014.

Now, further, we'll have to defer about \$1.2 billion in facility maintenance as well as depot-level maintenance for 84 aircraft and 104 engines and that's just representative of some of this deferral that we'll have to do.

When you consolidate operations and maintenance and investment shortfalls together, that leaves us with about a \$9 billion carryover that'll go into 2014 and that's what we'll have to deal with right away.

Now, continuation of sequestration in 2014 is going to compound this carryover challenge and it'll go from \$9 billion to \$23 billion. That would be my 2014 challenge.

Further, the accounts and activities that we were able to protect in 2013, such as manpower, nuclear maintenance, critical fleet operations, to name a few, they'll be liable to reduction.

Our people have remained resilient in the face of this uncertainty. And, frankly, Mr. Chairman, I've been amazed at our Sailors and their civilians and their patience and in their dedication throughout all of this.

Our 2014 budget submission supports the defense strategic guidance. It will enable us to maintain our commitments in the Middle East and our rebalance to the Asia-Pacific. Now, we prepared this budget with the following priorities.

Number one, we've got to deliver the overseas presence in accordance with the Global Force Management Allocation Plan. That's my demand signal. That's my covenant to the Combatant Commanders.

Number two, we'll continue near-term investments, ones that we started last year with your help, and continue this year into next year to address challenges in the Middle East and the Asia-Pacific.

And three, we'll develop long-term capabilities, focus in on asymmetric capabilities, capabilities others don't have, at the appropriate capacity to address war-fighting challenges in the Middle East and Asia-Pacific and other Combatant Commander areas of responsibility.

Our budget submission continues to invest in the future fleet. We take care of our people. We build ships and aircraft, and we'll invest in research and development for new technology. We've requested \$44 billion in ships, submarines, manned and unmanned air craft, weapons, cyber and other procurement -- programs such as the SSBN(X), that's the Ohio Replacement Program, the Virginia-class submarine, the Joint Strike Fighter, littoral combat ships, unmanned aerial vehicles of the tactical nature, DDG-1000, and the P-8, just to name the highlights.

These investments that will deliver a fleet, as Secretary Mabus said, of about 300 ships -- of 300 ships in 2019. And these ships will have greater interoperability and flexibility when compared to today's fleet.

We continue to fund important capabilities, such as the laser weapon system for small boat and drone defense, which will continue testing aboard the ship PONCE, here in the spring of 2014. We'll deploy that soon. Also, in 2014, we will deploy on the aircraft carrier George Herbert Walker Bush, a successfully tested prototype system to detect and defeat advanced wake homing torpedoes, a major vulnerability that we had reconciled.

We continue to grow manpower, 900 in net in 2014, as we focused on reducing our many gaps at sea, as we enhance Navy cyber capabilities. And we will continue to address our critical readiness and safety degraders, sexual assault prevention, suicide prevention, Sailor resilience, and our family support programs.

So Mr. Chairman, your Navy will continue to ensure our nation's security and prosperity by operating forward to ensure access to the maritime crossroads. We're going to be present where it matters, and we're going to be there when it matters. This budget places our Navy on a course which will enable us to meet the requirements of the defense strategic guidance today, while building a viable future force and sustaining our manpower for tomorrow.

We appreciate everything you and this committee have done for our Sailors and our Civilians and their families. And we ask, again, for your support in removing the burden of sequestration so that we can better train, equip, and deploy these brave men and women in defense of our nation. Thank you.